

Practitioner's note: acquiring a Zug enterprise

*Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland), Solicitor (Hong Kong),
Solicitor (England & Wales)*

The acquisition of an industrial enterprise in Zug by a foreign group raises questions that recur in practice. The first concerns the tax consequences of the change of control. Swiss law generally permits the acquisition of a company without tax consequences at the level of the target, but the use of the target's reserves to finance the acquisition, through dividends paid to the acquiring company soon after the purchase, may be treated as an indirect partial liquidation or as a transposition, with tax consequences for the seller.¹ The practitioner must therefore coordinate the financing of the acquisition with the tax position of the sellers.

The second concerns the location of the headquarters after the acquisition. A foreign group that acquires a Zug enterprise will consider whether to keep the headquarters in Zug, to move it to the group's home country or to integrate it into a regional hub elsewhere. The decision depends on the functions of the headquarters, the availability of staff, the tax position under the new ownership and the treatment of the target's employees. Swiss employment law provides relatively limited protection against dismissal, but collective dismissals trigger a duty to consult the employees and to notify the cantonal employment office.²

The third concerns foreign investment control. Switzerland has adopted a regime for the screening of foreign investments in certain sectors, which will apply, once in force, to acquisitions of domestic companies by foreign state-controlled investors.³ An acquisition of an enterprise in the building technology, energy or medical technology sectors by such an investor may require approval. The practitioner advising on the acquisition of a Zug enterprise must verify the application of this regime at the outset.

1 Notes

1. DBG, Art. 20a para. 1 lit. a and b (SR 642.11), [swissrights.ch](https://www.swissrights.ch): indirect partial liquidation on the sale of a participation of at least 20 per cent from private to business assets where non-operating substance is distributed within five years of the sale (lit. a); transposition on the transfer of a participation to a company controlled by the transferor to at least 50 per cent, insofar as the consideration exceeds the nominal value and the capital contribution reserves (lit. b). Treated in Part F. ↩
2. Art. 335d–335g OR ([droit-bilingue.ch](https://droit.bilingue.ch), English/German parallel text): definition of mass redundancies (Art. 335d); duty to consult the employees' representation or the employees (Art. 335f); written notification of the cantonal employment office, which seeks solutions (Art. 335g). ↩
3. SECO, "Investitionsprüfung", seco.admin.ch, accessed September 2026: Investment Screening Act (IPG) adopted by Parliament on 19 December 2025; takeovers of domestic companies active in particularly critical sectors by foreign state-controlled investors become subject to approval; entry into force expected in 2027, implementing ordinance still pending. ↩

For general information only. This article does not constitute legal or tax advice, does not replace advice on an individual case and creates no lawyer-client relationship. It reflects the legal position as of September 2026.

Online version: helveticaregister.com/zug-practitioner-s-note-acquiring-a-zug-enterprise